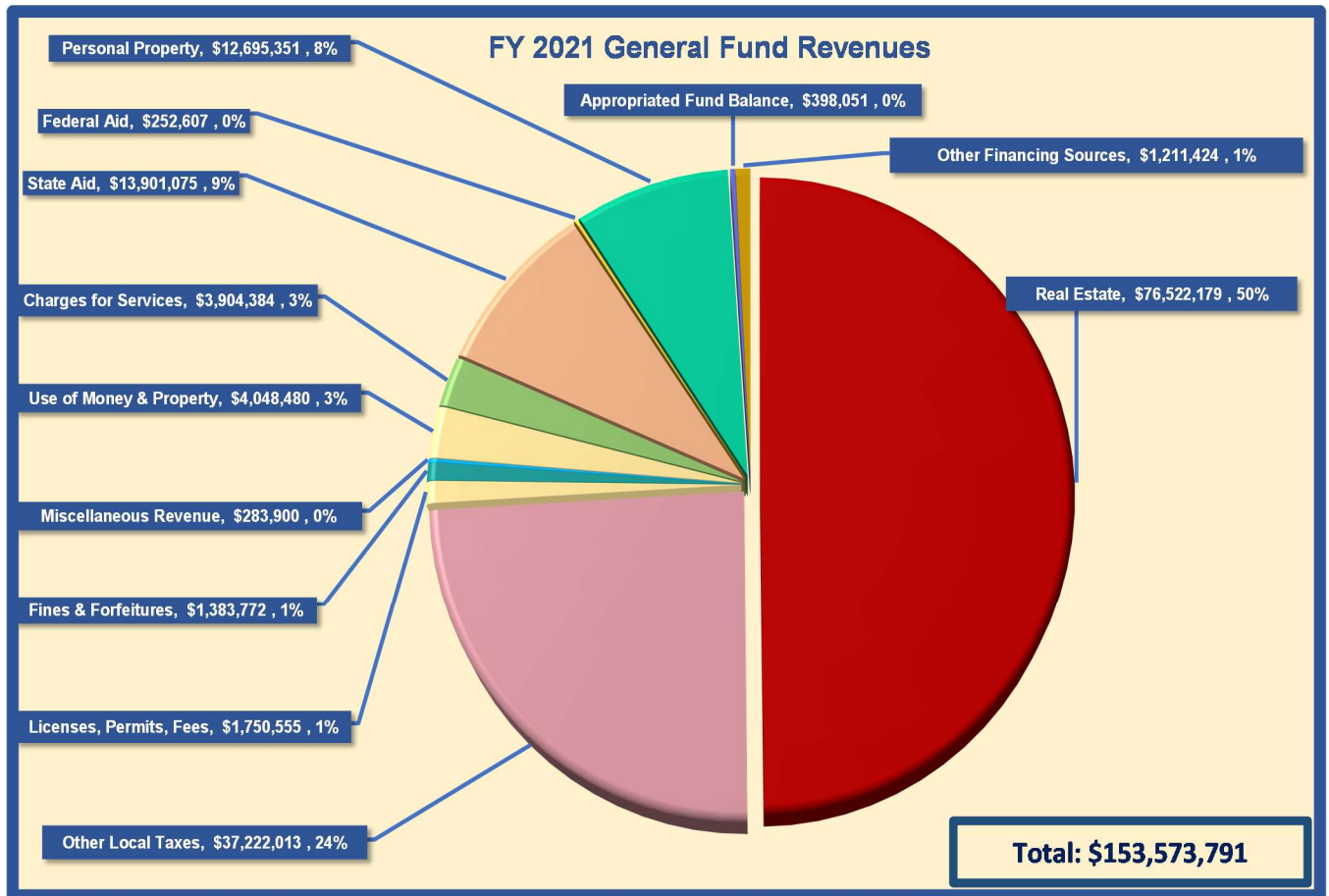


# **GENERAL FUND REVENUE OVERVIEW**

The following pie chart provides an overview by category of General Fund revenue sources for the City of Fairfax FY 2021 Proposed Budget.



The Use of Undesignated Fund Balance in the amount of **\$398,051** is funded by the estimated FY 2020 Unassigned General Fund Balance. The ending Unassigned General Fund Balance is equal to approximately **12.0 percent (\$17.8m)** of proposed General Fund revenues.

## FY 2021 Proposed Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed	Variance to Budget \$	Variance to Budget %
<b>General Property Taxes</b>							
311110	Real Estate Current December	\$ 32,016,314	\$ 32,068,942	\$ 32,243,574	\$ 34,493,719	\$ 2,424,777	7.56%
311111	Real Estate Current June	31,572,875	32,687,086	34,298,719	35,427,281	2,740,195	8.38%
311112	Real Estate Old Town - June	98,674	105,338	96,734	96,734	(8,604)	-8.17%
311113	Delinquent Real Estate	267,319	300,000	254,566	260,000	(40,000)	-13.33%
311114	Real Estate Old Town - December	97,095	105,333	105,419	96,734	(8,599)	-8.16%
311116	Delinquent R/E Old Town District	1,044	5,000	1,654	2,000	(3,000)	-60.00%
311119	Delinquent R/E Commercial	12,778	24,000	12,000	12,000	(12,000)	-50.00%
311120	Stormwater Fund Tax	1,753,028	1,859,895	1,954,380	2,113,891	253,996	13.66%
311121	Comm. Real Estate Tax Rate Trans. - June	1,124,209	1,185,102	1,191,802	1,215,881	30,779	2.60%
311122	Comm. Real Estate Tax Rate Trans. - Dec	1,066,109	1,184,624	1,186,061	1,207,373	22,749	1.92%
311199	RE Revenue Reductions	(60,886)	-	-	-	-	0.00%
311210	Personal Property Current	11,341,250	11,971,215	11,857,322	12,330,351	359,136	3.00%
311213	Delinquent Personal Property	192,690	250,000	117,458	125,000	(125,000)	-50.00%
311311	PSC R/E Current	1,147,399	1,125,000	1,162,758	1,196,567	71,567	6.36%
311312	PSC PP Current	220,241	246,456	285,000	240,000	(6,456)	-2.62%
311313	PSC R/E Delinquent	(9,325)	-	-	-	-	0.00%
311410	Penalties on Delinquent Taxes	345,535	385,000	307,639	310,000	(75,000)	-19.48%
311411	Interest on Delinquent Taxes	121,444	180,000	90,011	90,000	(90,000)	-50.00%
<b>Total General Property Taxes</b>		<b>\$ 81,307,791</b>	<b>\$ 83,682,991</b>	<b>\$ 85,165,097</b>	<b>\$ 89,217,530</b>	<b>\$ 5,534,540</b>	<b>6.61%</b>
<b>Other Local Taxes</b>							
312010	Local Sales & Use Tax	\$ 11,836,812	\$ 12,106,458	\$ 11,953,053	\$ 12,194,283	\$ 87,825	0.73%
312011	Consumers Utility Tax	1,577,007	1,600,000	1,558,996	1,600,000	-	0.00%
312012	Business & Occupational Licenses	9,344,777	9,253,755	9,550,412	9,500,000	246,245	2.66%
312013	Motor Vehicle Licenses	722,485	740,000	722,797	725,000	(15,000)	-2.03%
312014	Recordation Tax	476,560	430,000	430,000	475,000	45,000	10.47%
312015	Bank Franchise Tax	2,801,820	2,784,500	2,440,900	2,815,900	31,400	1.13%
312016	Tobacco Tax	600,325	658,800	631,400	599,830	(58,970)	-8.95%
312017	Transient Lodging Tax	592,796	675,640	650,000	700,000	24,360	3.61%
312018	Meals Tax	6,374,777	6,103,479	6,493,006	6,500,000	396,521	6.50%
312021	Consumption Tax	101,652	111,200	98,498	112,000	800	0.72%
312023	Local S&U - Moped & ATV	66	-	-	-	-	0.00%
312024	Communication Taxes	1,927,904	2,052,432	1,953,448	2,000,000	(52,432)	-2.55%
<b>Total Other Local Taxes</b>		<b>\$ 36,356,981</b>	<b>\$ 36,516,264</b>	<b>\$ 36,482,510</b>	<b>\$ 37,222,013</b>	<b>\$ 705,749</b>	<b>1.93%</b>

## FY 2021 Proposed Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed	Variance to Budget \$	Variance to Budget %
<b>Licenses, Permits &amp; Fees</b>							
313202	Building Permits	\$ 207,133	\$ 350,000	\$ 350,000	\$ 250,000	\$ (100,000)	-28.57%
313203	Electrical Permits	75,702	100,000	100,000	100,000	-	0.00%
313204	Plumbing Permits	66,873	90,000	90,000	90,000	-	0.00%
313205	Mechanical Permits	124,433	100,000	100,000	100,000	-	0.00%
313206	Elevator Inspection	52,986	60,000	68,846	70,000	10,000	16.67%
313225	Rental Housing Occupancy	9,055	2,000	7,500	2,000	-	0.00%
313226	Fire Marshal Permit	116,292	90,000	90,000	115,000	25,000	27.78%
313227	Fire Protection System Permit	51,097	70,000	70,000	70,000	-	0.00%
313231	Fire Marshal Development Fees	12,636	14,000	14,000	30,000	16,000	114.29%
313233	Public Safety Fee	27,557	50,000	50,000	50,000	-	0.00%
313234	Reinspection Fees	1,800	3,000	12,240	12,000	9,000	300.00%
313240	Reinspection Fees	-	-	1,275	1,300	1,300	0.00%
313308	Sign Permits	19,500	18,461	18,461	20,053	1,592	8.62%
313309	Occupancy Permits	23,680	27,668	27,668	25,821	(1,847)	-6.68%
313310	Soil & Erosion Fees	14,565	12,517	12,517	12,880	363	2.90%
313323	Zoning Fees	71,823	53,768	110,825	123,808	70,040	130.26%
313328	Special Use Permits	53,415	67,840	77,850	77,093	9,253	13.64%
313329	Variances	855	5,000	2,100	2,100	(2,900)	-58.00%
313411	Cemetery Interments	78,912	70,000	70,000	70,000	-	0.00%
313420	Street Opening Permits	56,500	50,000	50,000	50,000	-	0.00%
313440	Public Right of Way Use	138,681	205,433	200,433	305,000	99,567	48.47%
313442	Mobility Pilot Permit Fee	-	-	16,400	17,000	17,000	0.00%
313510	Animal Licenses	10,745	12,000	14,000	8,000	(4,000)	-33.33%
313512	Peddler's Permits	10,995	9,500	9,500	10,000	500	5.26%
313620	Transfer Fees	130,000	120,000	120,000	125,000	5,000	4.17%
313630	Cellular Comm	13,290	13,500	13,500	13,500	-	0.00%
<b>Total Licenses, Permits &amp; Fees</b>		<b>\$ 1,368,526</b>	<b>\$ 1,594,687</b>	<b>\$ 1,697,115</b>	<b>\$ 1,750,555</b>	<b>\$ 155,868</b>	<b>9.77%</b>
<b>Fines &amp; Forfeitures</b>							
314001	Court Fines & Forfeitures	\$ 599,514	\$ 625,000	\$ 600,000	\$ 600,000	\$ (25,000)	-4.00%
314002	Parking Fines	134,049	125,000	135,000	140,000	15,000	12.00%
314003	Juvenile Court	689	1,000	1,000	1,000	-	0.00%
314005	Circuit Court Revenue	5,541	4,500	41,000	45,000	40,500	900.00%
314006	Court Facilities Fee	14,772	14,000	14,000	14,000	-	0.00%
314010	Zoning Civil Penalties	1,800	4,960	1,600	1,672	(3,288)	-66.29%
314011	Photo Red Light	476,772	600,000	525,000	500,000	(100,000)	-16.67%
314012	Jail Admin Fee	1,117	1,200	1,200	1,100	(100)	-8.33%
314013	Courthouse Security	77,515	85,000	85,000	81,000	(4,000)	-4.71%
314030	Fire Restitution	250	-	-	-	-	0.00%
<b>Total Fines &amp; Forfeitures</b>		<b>\$ 1,312,019</b>	<b>\$ 1,460,660</b>	<b>\$ 1,403,800</b>	<b>\$ 1,383,772</b>	<b>\$ (76,888)</b>	<b>-5.3%</b>

## FY 2021 Proposed Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed	Variance to Budget \$	Variance to Budget %
<b>Use of Money &amp; Property</b>							
315101	Interest on Investments	\$ 1,154,925	\$ 850,000	\$ 1,658,724	\$ 1,700,000	\$ 850,000	100.00%
315106	Unrealized Gain/Loss	(110,576)	-	(357,823)	(369,520)	(369,520)	0.00%
315202	Rental - Old Town Hall	172,559	150,000	160,000	170,000	20,000	13.33%
315203	Rental - Green Acres	127,562	120,000	120,000	130,000	10,000	8.33%
315206	Rental - Schools	1,747,821	1,700,000	1,700,000	1,786,000	86,000	5.06%
315208	Rental - Community Center	302,777	385,000	355,000	310,000	(75,000)	-19.48%
315209	Rental - Main Street Day Care	35,909	40,000	46,800	47,000	7,000	17.50%
315211	Rental - Blenheim	80,712	90,000	90,000	80,000	(10,000)	-11.11%
315213	Rental - Ball Fields	102,775	122,000	122,000	45,000	(77,000)	-63.11%
318292	Rental - Firing Range - GMU	-	-	187,500	150,000	150,000	0.00%
<b>Total Use of Money &amp; Property</b>		<b>\$ 3,614,464</b>	<b>\$ 3,457,000</b>	<b>\$ 4,082,201</b>	<b>\$ 4,048,480</b>	<b>\$ 591,480</b>	<b>17.11%</b>
<b>Charges for Services</b>							
316110	Court Fees	\$ 3,475	\$ 5,000	\$ 5,000	\$ 5,000	-	0.00%
316220	Sale of Record Copies	3,501	3,500	3,500	3,500	-	0.00%
316221	False Alarm Fees	14,625	18,000	13,692	14,000	(4,000)	-22.22%
316223	Ambulance Fees	1,076,352	1,080,000	1,080,000	1,080,000	-	0.00%
316225	Fire Recovery Fee - GMU	225,000	225,000	225,000	225,000	-	0.00%
316230	Animal Control Fees	1,291	2,000	2,000	2,000	-	0.00%
316245	FFX Water	61,579	61,580	61,580	61,580	-	0.00%
316290	Hazmat Reimbursement	5,244	-	10,000	-	-	0.00%
316346	Community Programming	-	-	24,402	-	-	0.00%
316347	Sherwood Programming	334,568	395,000	345,000	350,000	(45,000)	-11.39%
316348	Green Acres Programming	62,400	70,000	70,000	70,000	-	0.00%
316349	Senior Programs	98,348	100,000	100,000	100,000	-	0.00%
316351	Day Camps	746,488	700,000	750,000	775,000	75,000	10.71%
316352	Pavilion Rentals	25,346	25,000	25,000	25,000	-	0.00%
316353	Cultural Arts	3,449	5,000	5,000	5,000	-	0.00%
316354	Special Events	261,445	270,000	294,402	270,000	-	0.00%
316355	Museum Revenue	658	1,000	1,000	1,000	-	0.00%
316356	Museum Gift Shop	12,104	11,500	11,500	11,500	-	0.00%
316357	Show Mobile Revenue	2,323	3,000	5,923	9,000	6,000	200.00%
316460	Sale of Publications	-	35	35	45	10	28.57%
316461	Subdivision Review Fees	35,546	12,360	12,360	15,852	3,492	28.25%
316462	Site Plan Review Fees	143,839	96,706	96,706	104,529	7,823	8.09%
316463	Architectural Review	4,225	4,314	4,314	4,461	147	3.41%
316464	Tree Removal Permit	2,595	1,973	1,973	2,162	189	9.58%
316466	Surety Review	13,455	13,367	13,367	13,755	388	2.90%
316570	School Age Child Care	735,198	691,121	691,121	690,000	(1,121)	-0.16%
316580	Returned Check Fees	1,625	2,000	1,501	1,500	(500)	-25.00%
316585	Administrative Fees	3,026	6,000	1,369	1,500	(4,500)	-75.00%
316586	Collection Fees	48,907	30,000	38,174	40,000	10,000	33.33%
316684	Advertising	-	3,000	3,000	3,000	-	0.00%
316811	Inspection Fees After Hours	16,670	70,000	70,000	20,000	(50,000)	-71.43%
<b>Total Charges for Services</b>		<b>\$ 3,943,282</b>	<b>\$ 3,906,456</b>	<b>\$ 3,966,919</b>	<b>\$ 3,904,384</b>	<b>\$ (2,072)</b>	<b>-0.05%</b>

## FY 2021 Proposed Budget – City of Fairfax, Virginia

### General Fund Revenue Summary

Account #	Account Title	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed	Variance to Budget \$	Variance to Budget %
<b>Miscellaneous Revenue</b>							
318102	Sale of Surplus Property	\$ 184,061	\$ 70,000	\$ 125,000	\$ 120,000	\$ 50,000	71.43%
318104	Sale of Cemetery Lot	29,160	40,000	60,000	60,000	20,000	50.00%
318105	Perpetual Care - Cemetery	5,444	4,200	10,000	9,200	5,000	119.05%
318108	Sale of City License Plates	4,905	4,700	4,700	4,700	-	0.00%
318201	Misc. Revenue	74,902	66,472	66,472	90,000	23,528	35.40%
318208	Misc. Revenue - Restricted	86,904	-	-	-	-	0.00%
<b>Total Miscellaneous Revenue</b>		<b>\$ 385,376</b>	<b>\$ 185,372</b>	<b>\$ 266,172</b>	<b>\$ 283,900</b>	<b>\$ 98,528</b>	<b>53.15%</b>
<b>State Aid</b>							
321103	Rolling Tax	\$ 360	\$ -	\$ -	\$ -	-	0.00%
321104	State Aid Police	637,016	626,000	661,816	670,000	44,000	7.03%
321106	Vehicle Rental Tax	516,742	461,200	600,000	603,500	142,300	30.85%
321201	Commissioner of Revenue	146,858	148,000	152,289	153,000	5,000	3.38%
321202	Treasurer	108,241	110,000	112,388	114,000	4,000	3.64%
321203	Registrar /Electoral	42,338	42,300	42,300	45,000	2,700	6.38%
321204	DMV Reimbursement	81,321	79,000	106,740	108,000	29,000	36.71%
324201	State Sales Tax	3,492,345	3,513,470	3,753,700	3,984,360	470,890	13.40%
324202	Basic School Aid	4,873,462	4,682,607	4,759,165	5,295,815	613,208	13.10%
324302	Four for Life Grants	64,277	25,000	25,000	25,000	-	0.00%
324344	VDFP Aid to Localities	78,104	70,000	70,000	70,000	-	0.00%
324345	VDFP Education & Conference Grant	5,000	-	29,900	21,900	21,900	0.00%
324403	Street & Highway Maint.	2,781,117	2,750,500	2,780,500	2,800,000	49,500	1.80%
324405	Solid Waste Grant	6,207	6,000	6,000	6,000	-	0.00%
324614	Arts Grant	4,500	-	-	4,500	4,500	0.00%
<b>Total State Aid</b>		<b>\$ 12,837,889</b>	<b>\$ 12,514,077</b>	<b>\$ 13,099,798</b>	<b>\$ 13,901,075</b>	<b>\$ 1,386,998</b>	<b>11.08%</b>

## FY 2021 Proposed Budget – City of Fairfax, Virginia

General Fund Revenue Summary							
Account #	Account Title	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed	Variance to Budget \$	Variance to Budget %
<b>Federal Aid</b>							
331005	Bulletproof Vest Grant	\$ 4,052	\$ 5,000	\$ 5,000	\$ 3,500	\$ (1,500)	-30.00%
331009	Alcohol Safety Grant	7,402	14,000	12,000	12,000	(2,000)	-14.29%
331018	NCR Regional Planner	145,964	150,277	150,277	156,516	6,239	4.15%
331021	Speed Enforcement Grant	8,123	10,000	10,000	10,000	-	0.00%
331024	Gang Task Force Vehicle reimbursement	-	8,800	20,327	-	(8,800)	-100.00%
331040	2016 SAFER Grant	44,448	109,598	109,598	-	(109,598)	-100.00%
331043	2014 SAFER Grant	69,633	-	-	-	-	0.00%
331046	LEMPG Grant	7,500	7,500	7,500	7,500	-	0.00%
331048	Volunteer & Citizens Corp	15,722	22,000	22,000	22,000	-	0.00%
331056	AFG (Leadership Development Institute)	131,740	-	-	-	-	0.00%
331058	2018 SAFER Grant	-	-	82,182	41,091	41,091	0.00%
<b>Total Federal Aid</b>		<b>\$ 434,584</b>	<b>\$ 327,175</b>	<b>\$ 418,884</b>	<b>\$ 252,607</b>	<b>\$ (74,568)</b>	<b>-22.79%</b>
<b>Other Financing Sources</b>							
318288	FPYC Turf Contribution	-	-	-	57,000	57,000	0.00%
318289	Schools Turf Contribution	20,000	20,000	20,000	20,000	-	0.00%
319008	City - County Contract	882,920	897,376	925,166	971,424	74,048	8.25%
342030	Insurance Recoveries	103,242	75,000	100,000	75,000	-	0.00%
347360	Transfers from Other Funds	203,710	88,008	88,008	88,000	(8)	-0.01%
<b>Total Other Financing Sources</b>		<b>\$ 1,209,872</b>	<b>\$ 1,080,384</b>	<b>\$ 1,133,174</b>	<b>\$ 1,211,424</b>	<b>\$ 131,040</b>	<b>12.13%</b>
<b>Total Revenues</b>		<b>\$ 142,770,783</b>	<b>\$ 144,725,066</b>	<b>\$ 147,715,670</b>	<b>\$ 153,175,740</b>	<b>\$ 8,450,674</b>	<b>5.84%</b>
<b>Appropriated Fund Balance</b>							
Restricted Funds (Budget Stabilization Fund)		\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Use of Prior Years' Surplus (unassigned)		-	608,423	-	398,051	(210,372)	-34.58%
<b>Total Appropriated Fund Balance</b>		<b>\$ -</b>	<b>\$ 608,423</b>	<b>\$ -</b>	<b>\$ 398,051</b>	<b>\$ (210,372)</b>	<b>-34.58%</b>
<b>Total Revenue Available</b>		<b>\$ 142,770,783</b>	<b>\$ 145,333,489</b>	<b>\$ 147,715,670</b>	<b>\$ 153,573,791</b>	<b>\$ 8,240,302</b>	<b>5.67%</b>

**FY 2020 Proposed Budget – City of Fairfax, Virginia**
**History of General Fund Revenues by Category**

Category	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	2019 Actual	2020 Estimate	2021 Proposed
<b>Real Estate</b>	\$ 51,075,000	\$ 57,072,395	\$ 59,505,606	\$ 61,441,513	\$ 64,699,575	\$ 66,790,301	\$ 67,892,659	\$ 69,783,177	\$ 73,190,317	\$ 76,762,179
<b>Personal Property</b>	9,944,909	10,377,334	10,243,702	10,171,214	10,777,155	11,447,025	11,511,625	11,524,614	11,974,780	12,455,351
<b>Sales Tax</b>	10,200,696	10,263,955	11,580,673	11,181,816	11,283,271	11,276,435	11,721,703	11,836,812	11,953,053	12,194,283
<b>BPOL</b>	8,554,669	8,932,634	8,709,712	8,740,824	8,838,556	8,698,368	8,745,395	9,344,777	9,550,412	9,500,000
<b>Meals Tax</b>	5,252,922	5,553,975	5,703,399	5,771,329	5,918,534	5,972,064	5,967,535	6,374,777	6,493,006	6,500,000
<b>Other Local Taxes</b>	8,560,379	8,384,251	8,375,385	8,543,760	8,511,155	8,563,296	8,827,582	8,800,615	8,486,039	9,027,730
<b>Licenses, Permits, and Fees</b>	1,540,689	1,408,601	1,434,496	1,300,349	1,341,098	1,427,234	1,678,675	1,368,526	1,697,115	1,750,555
<b>Fines &amp; Forfeitures</b>	1,288,331	1,148,262	1,113,719	1,233,802	1,232,773	1,344,266	1,408,265	1,312,019	1,403,800	1,383,772
<b>Use of Money &amp; Property</b>	1,947,934	2,162,378	2,696,575	2,725,994	2,661,993	2,460,115	2,741,250	3,614,464	4,082,201	4,048,480
<b>Charges for Services</b>	3,176,925	3,249,168	3,049,479	3,304,373	3,387,913	3,388,964	3,744,262	3,943,282	3,966,919	3,904,384
<b>Intergovernmental</b>	10,837,393	11,318,838	11,480,641	11,854,303	12,101,966	12,927,118	13,382,207	13,272,473	13,518,682	14,153,682
<b>Other Financing Sources / Misc.</b>	1,245,630	1,152,263	1,043,308	1,460,877	1,741,602	1,222,088	1,449,854	1,595,248	1,399,346	1,495,324
<b>Appropriated Fund Balance</b>	1,926,941	-	1,260,278	1,164,306	-	-	-	-	-	398,051
<b>Total Revenue</b>	<b>\$115,552,418</b>	<b>\$121,024,054</b>	<b>\$126,196,973</b>	<b>\$128,894,460</b>	<b>\$ 132,495,591</b>	<b>\$135,517,274</b>	<b>\$139,071,012</b>	<b>\$142,770,783</b>	<b>\$147,715,670</b>	<b>\$153,573,791</b>



## Major Revenue Sources

## Real Estate Tax

### Background

As required by State law, each year, the City Assessor's Office appraises all **real property** in the City to determine its assessed value for tax purposes. Assessments of real property, including land and permanently affixed structures, are based on **fair market value** and are equitable with the assessments of comparable properties. Real estate assessments are effective January 1, and are reflective of 100 percent of estimated fair market value. During the budget process, City Council determines how much revenue the City must generate to provide municipal services to residents. The Council then sets a tax rate that will yield the needed revenue. The tax rate multiplied by the assessed value of the property determines the taxes owed by each property owner. City Real Estate taxes are paid twice a year - June 21 and December 5.

### Fiscal Impact – Real Estate Tax Revenue

Category	FY 2020 Budget	FY 2021 Proposed	Variance	
			\$	%
Real Estate Tax Revenue	\$ 68,605,923	\$ 73,891,457	\$ 5,285,534	7.7%
Base Real Estate Tax Rate	1.0450	1.0750	\$ 0.0300	2.9%
Stormwater Tax Rate	0.0300	0.0325	\$ 0.0025	8.3%
<b>Total Real Estate Tax Rate</b>	<b>1.0750</b>	<b>1.1075</b>	<b>\$ 0.0325</b>	<b>3.0%</b>

Category	FY 2020 Budget	FY 2021 Proposed	Variance	
			\$	%
Old Town Service District Revenue	\$ 215,671	\$ 195,468	\$ (20,203)	-9.4%
<b>Old Town Service District Tax Rate</b>	<b>6.0¢</b>	<b>6.0¢</b>	<b>-</b>	<b>0.0%</b>

Category	FY 2020 Budget	FY 2021 Proposed	Variance	
			\$	%
Commercial & Industrial Revenue	\$ 2,393,726	\$ 2,435,254	\$ 41,528	1.7%
<b>Commercial &amp; Industrial Tax Rate</b>	<b>12.5¢</b>	<b>12.5¢</b>	<b>-</b>	<b>0.0%</b>

Real property tax revenues account for the largest category of revenue for the General Fund, representing 49.8 percent of total General Fund revenues. For the FY 2021 Proposed Budget, the real estate tax rate increases to \$1.1075, and includes 3.25¢ to be dedicated for the Stormwater Fund. The Stormwater Fund revenues are dedicated to meet federal and state regulatory requirements along with maintenance of aging stormwater infrastructure.

## FY 2021 Proposed Budget – City of Fairfax, Virginia

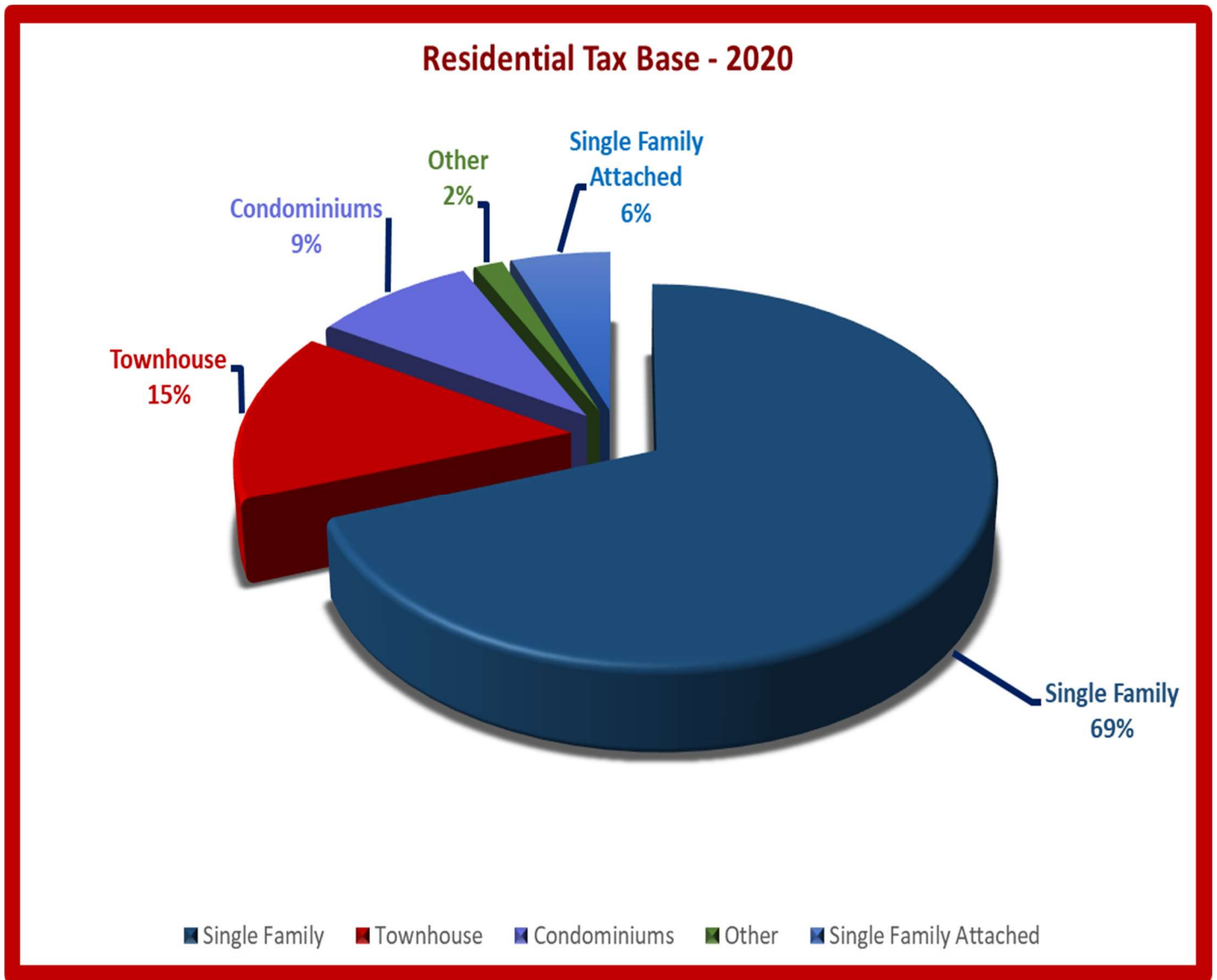
Total real estate assessments are up 3.9 percent, which includes new construction of \$126.8 million, compared to a 1.3 percent increase for the previous calendar year.

Assessments	CY 2019	CY 2020	Variance	
			\$	%
Residential	\$ 4,009,601,100	\$ 4,117,394,100	\$ 107,793,000	2.7%
Commercial	\$ 2,195,140,900	\$ 2,332,365,000	\$ 137,224,100	6.3%
<b>Total</b>	<b>\$ 6,204,742,000</b>	<b>\$ 6,449,759,100</b>	<b>\$ 245,017,100</b>	<b>3.9%</b>

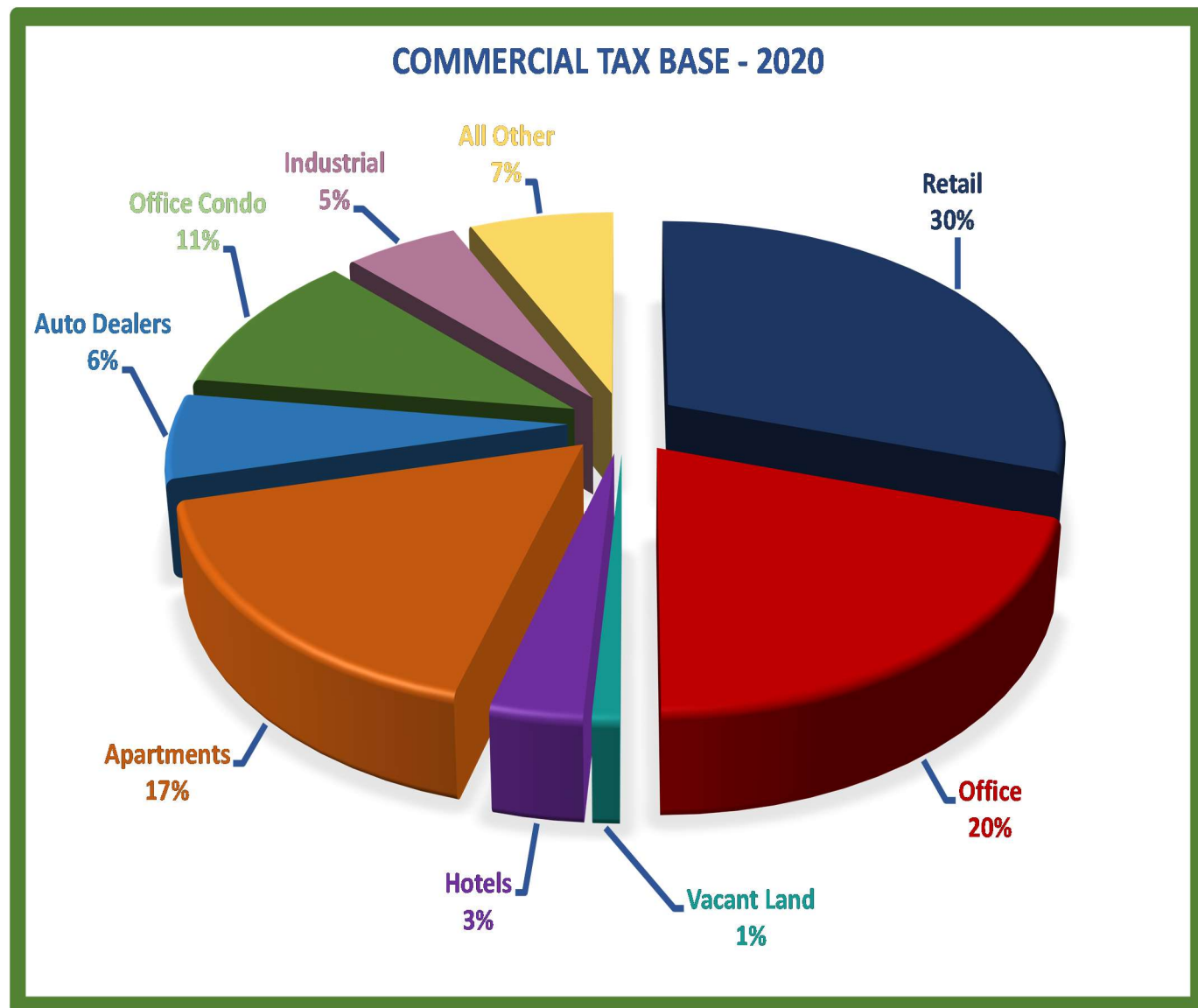


The calendar year 2020 total taxable value of City residential and commercial properties before appeals is \$6,449,759,100, an increase from last year's total assessed value of \$6,204,742,000 (3.9%).

The overall residential assessment total, including new construction, has increased by 2.7 percent. The following notes the breakout by category for the residential tax base.



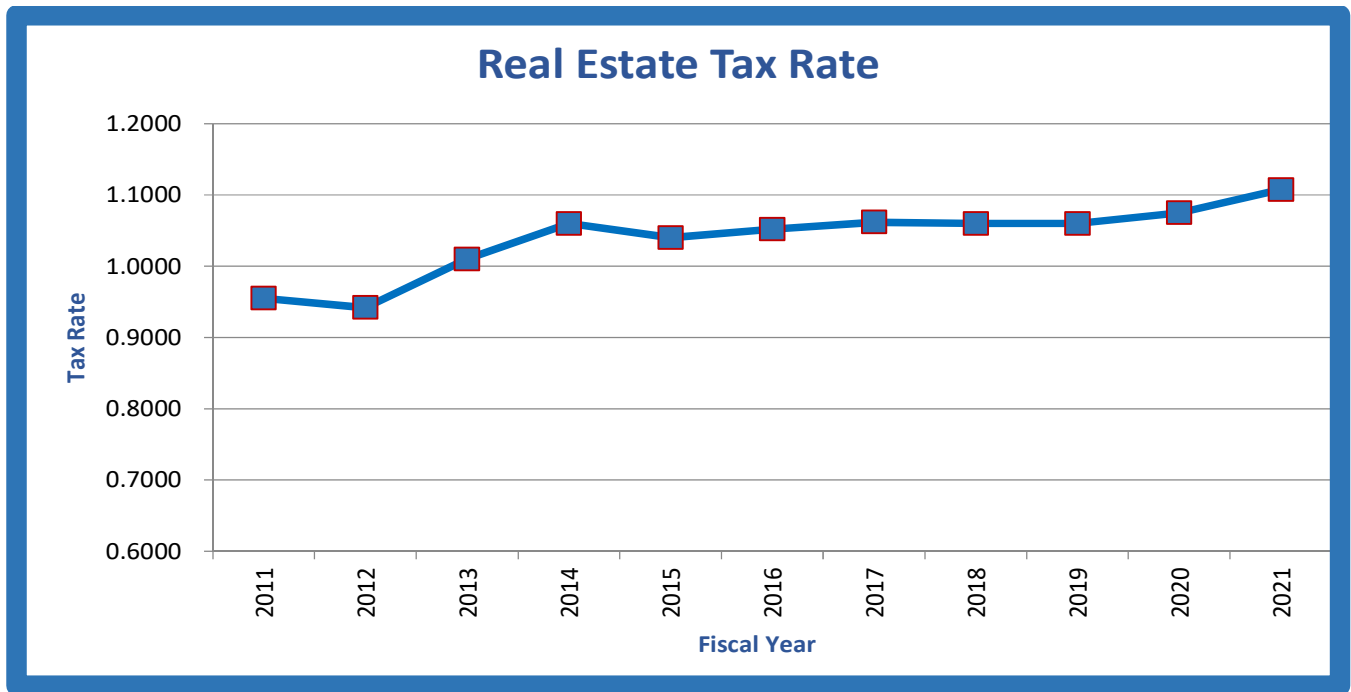
Commercial assessments increase 6.3 percent overall, which includes new construction. The following represents the breakout by category for the commercial tax base.



The Old Town Service District tax rate remains at 6.0 cents per \$100 of assessed value. The revenue generated is used to provide additional government services to the Old Town Service District and to pay debt service on downtown infrastructure improvement.

As part of the FY 2010 Adopted Budget, the Transportation Tax Fund provided for a surcharge on commercial and industrial real estate properties at a rate of 8.0 cents per \$100 of assessed value. During the FY 2011 budget process, the City Council decreased this rate from 8.0 cents per \$100 of assessed value to 5.5 cents per \$100 of assessed value. The rate was increased to 7.5¢ for the FY 2016 budget, to 9.5¢ for the FY 2017 budget, to 10.5¢ for the FY 2018 budget, to 11.5¢ for the FY 2019 budget, and for FY 2020, increased the rate to the allowable maximum of 12.5¢.

A historical review of the City's Real Estate Tax Rate is below:



In comparing tax rates, it is important to keep in mind two factors often overlooked – levels of service vary from jurisdiction to jurisdiction, and for residents of area towns, a town tax is levied in addition to the county tax. Two large towns in our immediate area – Vienna and Herndon – known for similar levels of community services, levy real estate taxes of 22.5 and 25.25 cents per \$100 of assessed value (adopted fiscal year 2020 rates) on top of Fairfax County rate, respectively.

The City's proposed real estate tax rate is \$1.1075, an increase of 3.25¢ over the FY 2020 Adopted rate of \$1.075. The proposed base rate increased by 3.0¢ and the tax rate dedicated to stormwater increased 0.25¢. The average residential tax bill is expected to increase by 5.15 percent. The following chart provides an example of three residential assessed values:

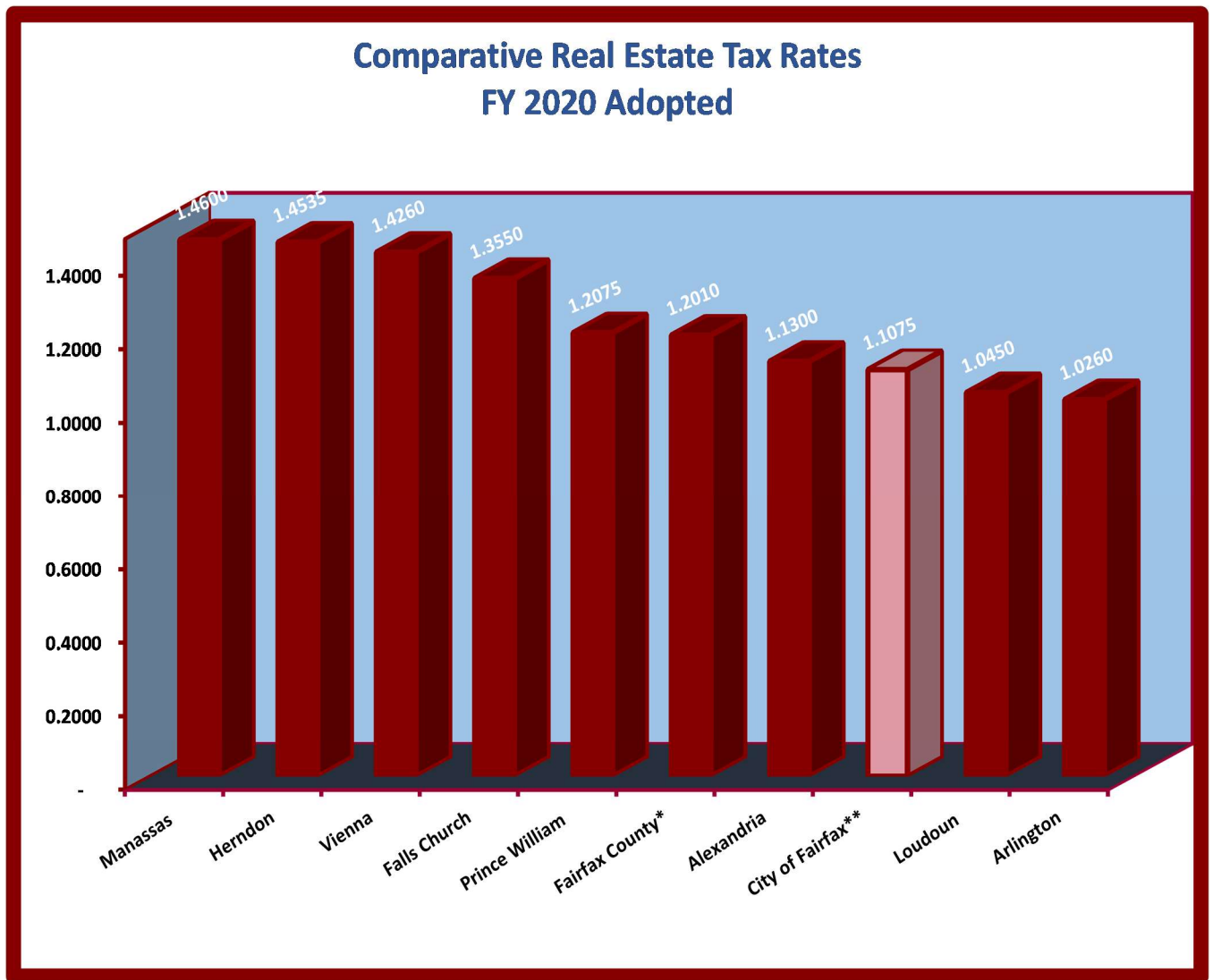
**Impact of FY 2021 Real Estate Tax Rate  
On Residential Property Owner's Tax Bill at Various Values**

CY 19 Assessment	CY 19 Tax Rate	CY 19 Tax Bill	CY 20 Assessment	CY 20 Tax Rate	CY 20 Tax Bill	Change	
						\$	%
\$ 350,000	\$ 1.075	\$ 3,763	\$ 357,227	\$ 1.1075	\$ 3,956	\$ 194	5.15%
\$ 511,678	\$ 1.075	\$ 5,501	\$ 522,243	\$ 1.1075	\$ 5,784	\$ 283	5.15%
\$ 850,000	\$ 1.075	\$ 9,138	\$ 867,551	\$ 1.1075	\$ 9,608	\$ 471	5.15%

Note: average estimated increase in residential assessment of 2.06 percent (excludes new construction); each property is individually assessed therefore each property assessment may be higher or lower than the average.

The real estate tax rate necessary to provide residential equalization, whereby the average homeowner would pay no more in taxes than in the prior year, equates to \$1.0533 per \$100 of assessed value. This is 5.42¢ less than the proposed FY 2021 rate of \$1.1075. The real estate equalization rate for residential and commercial properties combined is \$1.0549 per \$100 of assessed value, 5.26 ¢ less than the proposed FY 2021 rate of \$1.1075.

FY 2020 adopted rates for all of the surrounding jurisdictions are shown below for comparison.



**\*Fairfax County Rate includes Pest Management and Leaf Collection for most County residents**

**\*\* City of Fairfax FY 2021 Proposed Tax Rate**

## **Personal Property Tax**

### **Background**

The City of Fairfax assesses all individuals and businesses on the value of motor vehicles, including automobiles, trucks, motorcycles, trailers, campers and other recreational vehicles and boats that are located in the City of Fairfax. The City also assesses all businesses on the value of all other personal property such as furniture and equipment located within the City boundaries. All such property is considered personal property. Additionally, the City imposes a Motor Vehicle License Tax for each vehicle and issues a vehicle license decal as proof that the license tax and personal property taxes have been paid.

The Commissioner of the Revenue determines the method of assessment for personal property and the City Council establishes the tax rate. The current personal property tax rate is \$4.13 per \$100 of assessed value. In addition to the personal property tax, all motor vehicles normally garaged in the City are required to display a Motor Vehicle License Decal. The Motor Vehicle License Tax is \$33.00 per annum and is administered directly by the City Treasurer. Before obtaining a decal, vehicle owners must register their vehicles with the Commissioner of the Revenue for personal property tax purposes.

At the current time, taxpayers are "reimbursed" by the state at a rate of approximately 47.4 percent of the tax up to the first \$20,000 of assessed value. This reimbursement is based on a fixed amount, approximately \$3.1 million, the 2004 level of reimbursement. While in most cases a disproportionate amount of tax collected at local levels is disbursed to other areas of the state through means such as the composite index for education funding, in the case of personal property tax, a disproportionately larger amount is paid to Northern Virginia, because there are more and higher value cars in this area.



Fiscal Impact – Personal Property Tax

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Personal Property Tax Revenue</b>	\$ 11,524,614	\$ 12,221,215	\$ 11,974,780	\$ 12,455,351
<b>Personal Property Tax Rate</b>	\$4.13	\$4.13	\$4.13	\$4.13

**Personal Property Tax Rates  
FY 2020 Adopted**



The FY 2021 proposed budget reflects no change in the Personal Property Tax rate of \$4.13. FY 2021 revenues are projected to increase 1.9% compared with the FY 2020 budget. The increase is based on current collection experience which is attributable to additional resources made available to the Treasurer's Department to aid in collections.

## Local Sales and Use Tax

### Background

A sales tax is imposed on gross receipts from retail sales. The seller collects the tax from the customer by separately stating the tax and adding it to the sales price or charge. The local sales and use tax is 1.0%

### Fiscal Impact – Local Sales and Use Tax

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Local Sales &amp; Use Tax Revenue</b>	\$ 11,836,812	\$ 12,106,458	\$ 11,953,053	\$ 12,194,283

The local sales and use tax is one of the most important economic indicators and highest revenue generators for the City. These revenues are projected to increase by 0.7% in FY 2021 based on retail sales trends.

## Business, Professional, and Occupational License (BPOL) Tax

### Background

All businesses operating in the City of Fairfax must apply for an annual license with the Commissioner of the Revenue. Business license taxes are levied annually and are typically based on a business's gross receipts. All new businesses must submit an application within 30 days of the start of operations. All business licenses expire at the end of each calendar year and must be renewed annually by **March 1**. Businesses in the City of Fairfax are taxed on either their gross receipts or a flat rate basis or both. Most businesses are taxed based on gross receipts. The BPOL tax rate is established annually by the City Council for each business category.

### Fiscal Impact – BPOL Tax

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>BPOL Tax</b>	\$ 9,344,777	\$ 9,253,755	\$ 9,550,412	\$ 9,500,000

FY 2021 Proposed BPOL tax revenues are predicted to increase 2.7 % over the FY 2020 Adopted budget.

## Meals Tax

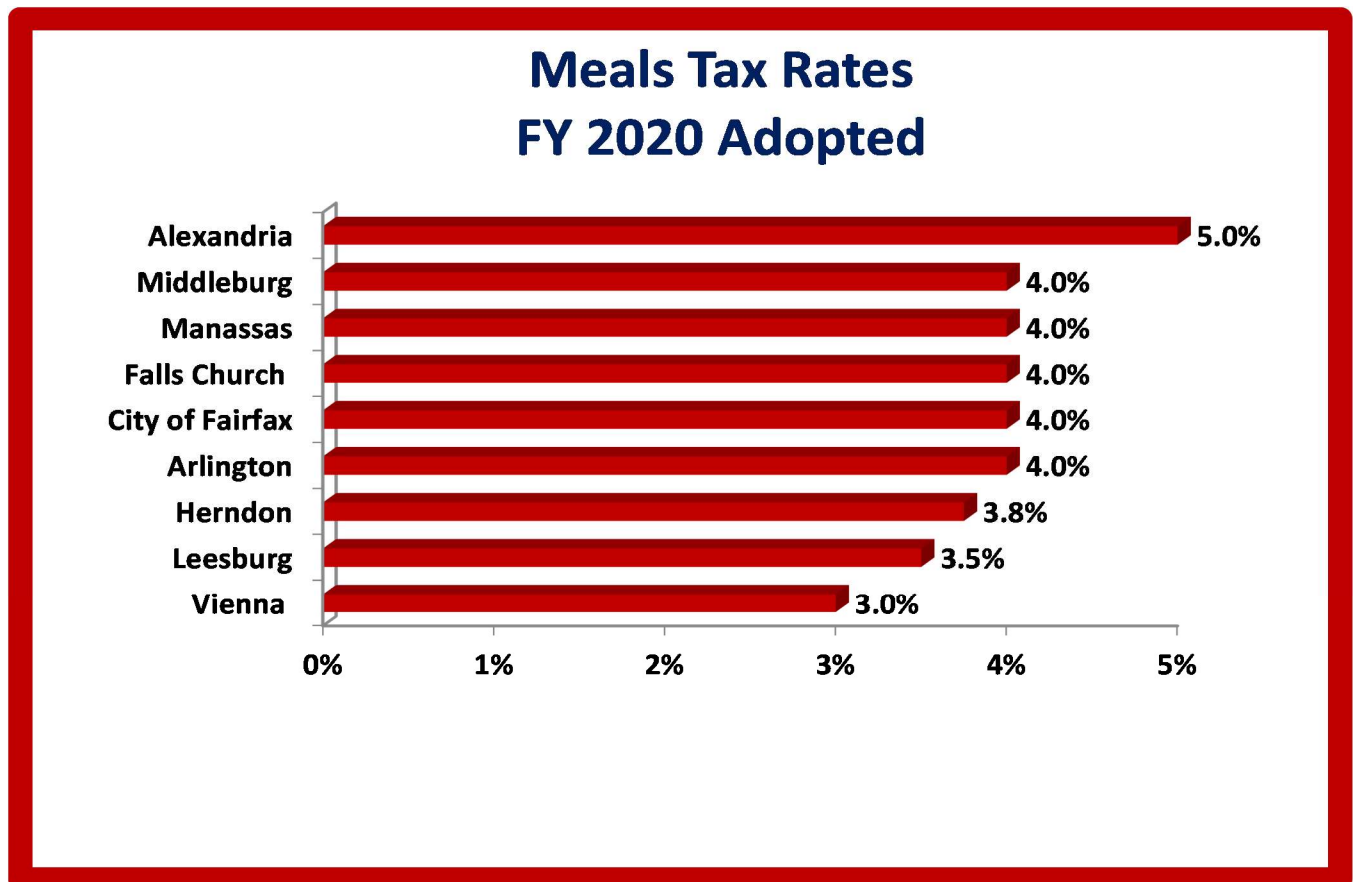
### Background

The City of Fairfax levies a **4%** tax upon all meals sold in the City by a restaurant or similar establishment.

### Fiscal Impact – Meals Tax

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Meals Tax Revenue</b>	\$ 6,374,777	\$ 6,103,479	\$ 6,493,006	\$ 6,500,000
<b>Meals Tax Rate</b>	4%	4%	4%	4%

The City's meals tax remains a stable source of revenue for the City. The FY 2020 revenue estimate is projected to remain flat from the FY 2019 actual, based on receipts for the first nine months of the current fiscal year. FY 2021 projects an increase of 6.5% compared to the FY 2020 Adopted budget based on current trends and other economic indicators. As the following chart indicates, several area jurisdictions also impose this tax and in most cases at a rate on par with the City.



## Tobacco Tax

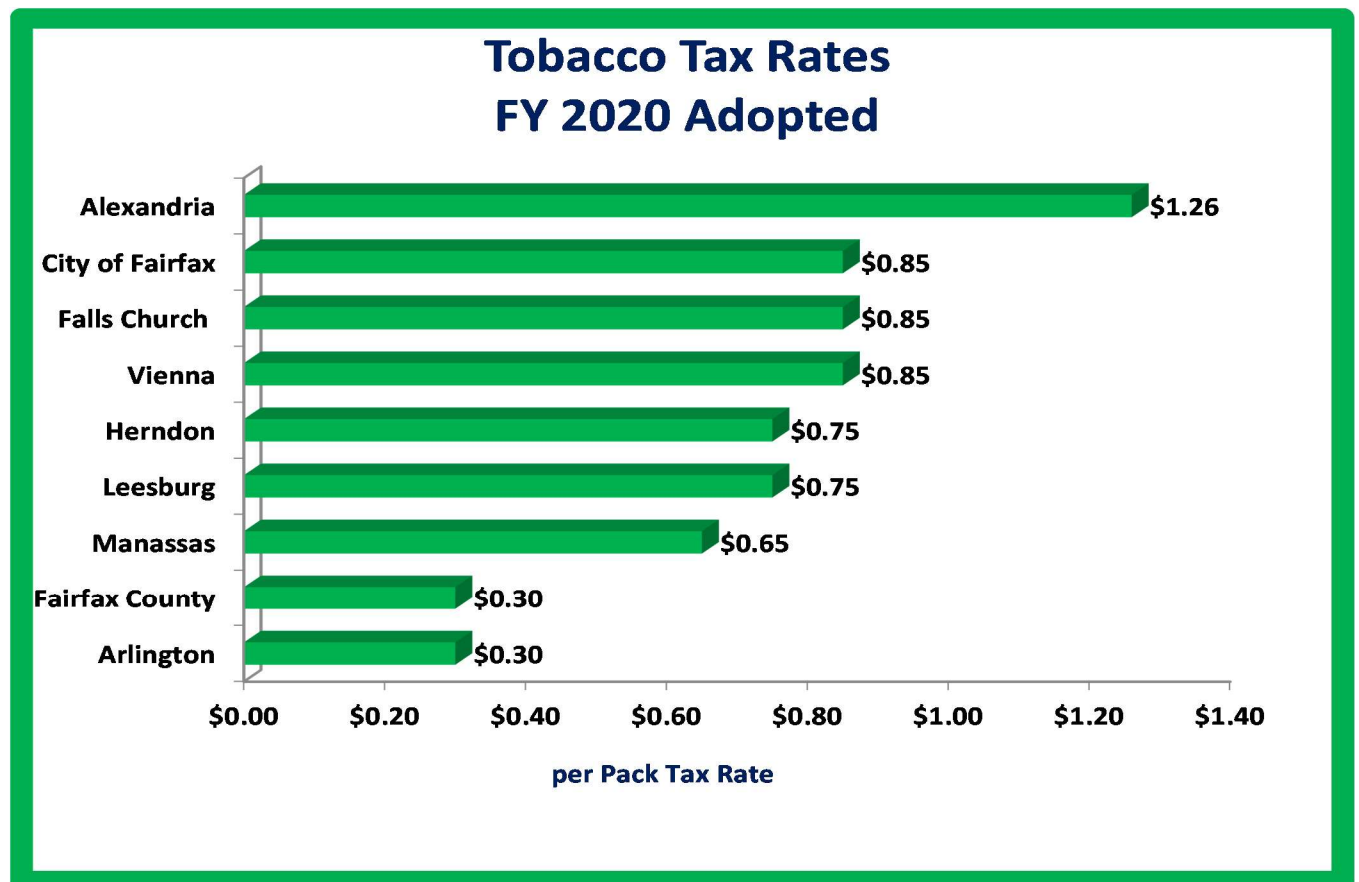
### Background

The cigarette tax is **85 cents** for each package of 20 cigarettes sold within the City. On January 1, 2010 the Tobacco Tax was increased by 25 cents, from 50 cents to 75 cents per package. On July 1, 2010 the rate was increased by 10 cents, from 75 cents to 85 cents per package.

### Fiscal Impact – Tobacco Tax

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Tobacco Tax Revenue</b>	\$ 600,325	\$ 658,800	\$ 631,400	\$ 599,830
<b>Tobacco Tax Rate</b>	\$0.85	\$0.85	\$0.85	\$0.85

Tobacco tax revenues for the FY 2020 estimate are projected at \$631,400, based on receipts for the first nine months of the current fiscal year, an increase of 5.2% from FY 2019 actual revenues. FY 2021 revenues are projected to decrease from the FY 2020 Adopted budget as we continue to see tobacco sales on a downward trend.



## Transient Lodging Tax

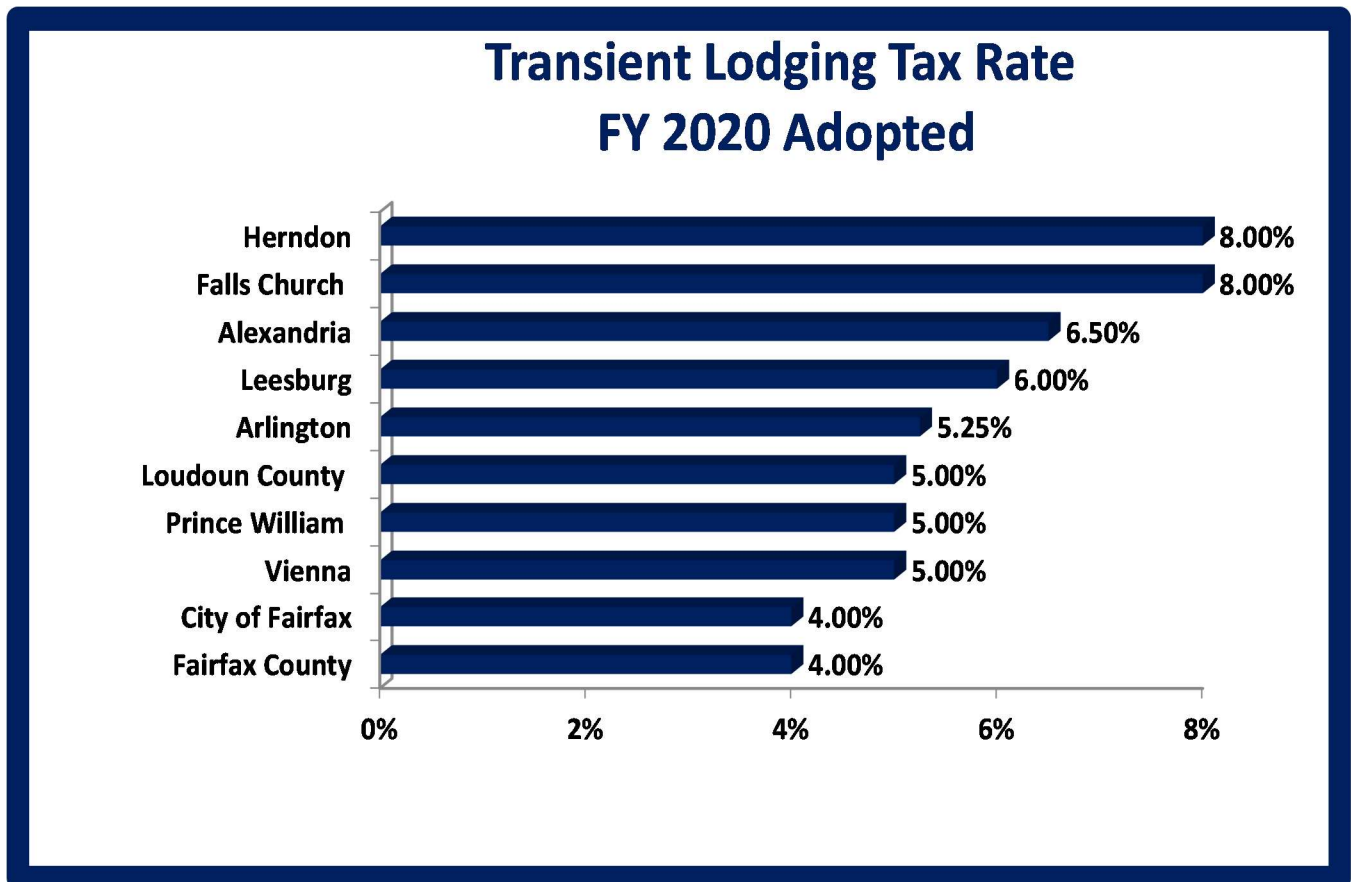
### Background

Every public or private hotel, inn, apartment hotel, hostelry, motel, or other lodging place within the City offering lodging for four or more persons at any one time on a transient basis (30 consecutive days or less), is levied a tax on the gross receipts of the lodging. The transient occupancy tax rate is **4 percent** of the total amount of the room rental charge, and is the maximum allowed per City Charter. Any increase above the current tax rate needs approval from the General Assembly.

### Fiscal Impact – Transient Lodging Tax

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Transient Lodging Tax Revenue</b>	\$ 592,796	\$ 675,640	\$ 650,000	\$ 700,000
<b>Transient Lodging Tax Rate</b>	4%	4%	4%	4%

The Transient Lodging Tax revenue is projected to remain on par with the FY 2020 estimated based on our current experience during the first nine months of this fiscal year. The City of Fairfax is tied with Fairfax County for the lowest rate in the region as shown by the chart below.



**Licenses, Permits, and Fees**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Licenses, Permits, and Fees</b>	\$ 1,368,526	\$ 1,594,687	\$ 1,697,115	\$ 1,750,555

The City reviews its licenses, permits and fees rates and levies annually to ensure each is on par with other jurisdictions in the region. The budget for FY 2021 projects a 3.1% increase from the FY 2020 estimate primarily due to the timing of construction-related permits for several large commercial projects.

**Fines and Forfeitures**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Fines &amp; Forfeitures</b>	\$ 1,312,019	\$ 1,460,660	\$ 1,403,800	\$ 1,383,772

This category of revenues is projected to decrease by 1.4% in FY 2021 from the FY 2020 estimate based on recent trends in collections. A projected decrease in Photo Red Light fines is the primary cause of this decrease. Photo Red Light revenues will decrease over time as drivers adjust their behavior.

**Use of Money and Property**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Use of Money and Property</b>	\$ 3,614,464	\$ 3,457,000	\$ 4,082,201	\$ 4,048,480

Overall revenues are projected to decrease by 0.1% in FY 2021 from the FY 2020 estimate.

**Charges for Services**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Charges for Services</b>	\$ 3,943,282	\$ 3,906,456	\$ 3,966,919	\$ 3,904,384

Overall revenues are projected to remain flat in FY 2021 as compared to the FY 2020 estimate.

**State Aid**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>State Aid</b>	\$ 12,837,889	\$ 12,514,077	\$ 13,099,798	\$ 13,901,075

Total funding for state aid is projected to increase in FY 2021 compared to the FY 2020 estimate due to revenue growth in Vehicle Rental tax, Basic School Aid and State Sales Tax.

**Federal Aid**

	FY 2019 Actual	FY 2020 Budget	FY 2020 Estimate	FY 2021 Proposed
<b>Federal Aid</b>	\$ 434,584	\$ 327,175	\$ 418,884	\$ 252,607

Federal Aid is typically dedicated to public safety areas such as Firefighters and Police grants, and FEMA Disaster Reimbursements. These numbers can fluctuate greatly from year to year based on grants awarded.

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